



Foreign Agricultural Service

**GAIN Report**

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GAIN Report #PK0026

**Pakistan**

**Sugar**

**Update**

**2000**

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**Report Highlights:**

**Pakistan's MY1999/2000, sugar imports are forecast to increase to 500,000 MT due to lower production, mainly as a result of irrigation problems following a weak monsoon.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Islamabad [PK1], PK

## SUGAR PRODUCTION

Pakistan's MY 1999/2000 total refined sugar production is expected to decrease over 30 percent to 2.6 MMT (raw value) due to a sharp decline in cane production and sugar yields as a result of a shortage of irrigation supplies following a weak monsoon.

## TRADE:

As a result of the short crop, MY 1999/2000 sugar imports have been revised upward to 500,000 MT (raw value). Thus far, about 200,000 MT of sugar has arrived and about 200,000 MT have been booked for August/September shipments. Thailand and China are the main origins. Trade sources expect the Government of India will soon decide to allow traders to export sugar. If so, Pakistan is expected to switch to Indian sugar due to its likely price advantage, largely in the form of lower freight.

The Government of Pakistan (GOP) has reduced the duty on refined sugar from 45 to 10 percent, as import and domestic prices increased, in an effort to moderate the impact on consumers. Import prices have increased from about \$210 per MT C&F Karachi in May to about \$285 in July. Domestic prices have increased about 20 percent to Rs. 26 per Kilogram (\$1 = Rs. 54.25). The government also may reduce the duty on raw sugar.

## STOCKS:

MY 1999/2000 ending stocks are expected to increase to 402,000 MT which will help to stabilize domestic prices. All stocks are held by private producers and distributors.

## Table 1: Refined Sugar PS&D

Country:	Pakistan					
Commodity:	Sugar					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Beginning Stocks	503	503	552	552	347	402
Beet Sugar Production	11	11	10	16	10	10
Cane Sugar Production	3780	3780	2675	2584	3424	3424
TOTAL Sugar Production	3791	3791	2685	2600	3434	3434
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	8	8	320	500	0	0
TOTAL Imports	8	8	320	500	0	0
TOTAL SUPPLY	4302	4302	3557	3652	3781	3836
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	540	540	0	0	0	0
TOTAL EXPORTS	540	540	0	0	0	0
Human Dom. Consumption	3210	3210	3210	3250	3250	3250
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	3210	3210	3210	3250	3250	3250
Ending Stocks	552	552	347	402	531	586
TOTAL DISTRIBUTION	4302	4302	3557	3652	3781	3836